

Hearing Date: July 23, 2009

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:	Chapter 11
	:	
DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	Jointly Administered
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**PRELIMINARY OBJECTION OF KENSINGTON INTERNATIONAL
LIMITED, MANCHESTER SECURITIES CORP. AND SPRINGFIELD
ASSOCIATES, LLC TO (A) CONFIRMATION OF DEBTORS' FIRST
AMENDED PLAN OF REORGANIZATION (AS MODIFIED) AND
(B) APPROVAL OF DEBTORS' PROPOSED SECTION 363 SALE**

Kensington International Limited, Manchester Securities Corp. and Springfield Associates, LLC (the "Manchester Entities"), in their capacity as DIP Lenders¹ to the above-captioned debtors (collectively, the "Debtors") under that certain Revolving Credit, Term Loan and Guaranty Agreement among Delphi Corporation, as Borrower, and the Subsidiaries of the

¹ All capitalized terms not expressly defined in this statement shall be construed to have the same meaning as such terms have been defined in the DIP Credit Agreement (as hereinafter defined).

Borrower, as Guarantors, and the Lenders, dated January 9, 2007, as amended by the Amended and Restated Revolving Credit, Term Loan and Guaranty Agreement among Delphi Corporation, as Borrower, and the Subsidiaries of the Borrower, as Guarantors, and the Lenders (as thereafter amended, supplemented or otherwise modified from time to time), dated as of May 9, 2008 (the “DIP Credit Agreement”), by and through their undersigned counsel, hereby file this preliminary objection (the “Objection”) to (A) Confirmation of Debtors’ First Amended Plan of Reorganization (as Modified) (the “Modified Plan”) and (B) Approval of Debtors’ Proposed Section 363 Sale (the “363 Sale”), and without prejudice to the Manchester Entities’ ability to supplement this Objection in the future, respectfully state as follows:

RELIEF REQUESTED

1. The Manchester Entities believe that the continued pursuit of the Modified Plan and 363 Sale is inconsistent with the Debtors’ fiduciary duties to its creditors, is not in the best interests of the estates, and cannot result in a confirmed plan and emergence from bankruptcy.

2. As a result, the Manchester Entities file this preliminary Objection to create a contested matter in order to conduct discovery of the Debtors and other parties with respect to the Modified Plan and 363 Sale.

RESERVATION OF RIGHTS

3. The Manchester Entities reserve all of their rights under the DIP Credit Agreement, the DIP Order and all applicable law, including the right not to consent to, or to object to, the Modified Plan or 363 Sale, the right to exercise remedies and the right to credit bid.

4. The above-stated objections are not exhaustive, and the Manchester Entities reserve all rights to supplement this Objection prior to the hearing currently scheduled for July 23, 2009.

WHEREFORE, the Manchester Entities respectfully request that the Court grant the Manchester Entities such relief that it deems just and proper.

Dated: June 30, 2009
New York, New York

/s/ Glenn E. Siegel
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